

**From:** Wayne Hedberg  
**To:** mnrls  
**Date:** 10/15/96  
**Subject:** Hecla - Apex Mine (M/053/004), Status update

I received a call from Mr. Gaylon Hansen today requesting information regarding our receipt of any recent permit transfer forms involving Hecla Mining Company's Apex Mine (located in Washington County). I indicated that I did not believe that we have received any transfer forms on the Apex Mine.

Mr. Hansen is an independent consulting geologist who has been trying (for some time now) to negotiate a deal with Hecla to purchase the Apex Mine. I told Mr. Hansen we had met with representatives from Hecla, Amalgamet/Pruessag (Canadian and German companies respectively), and Uranertz (who would operate the mine) earlier this year concerning a possible sale of the Apex Mine. We had not heard anything from them since that meeting.

Mr. Hansen indicated he was aware that Uranertz had pulled out of the proposed deal and that another company Cominco American may become a joint venture partner/operator with Amalgamet/Pruessag in this pending sale. He was of the opinion that Pruessag had until September 15, 1996 to close on their option with Hecla. He has heard rumors that some kind of a deal may have been struck between the parties on September 20th.

Mr. Hansen stated that he is still very much interested in working out a sales agreement with Hecla and requested notice of any information we may receive regarding the possible sale and transfer of the Apex Mine. He indicated that he has recently formed a new Delaware based, mining company (Apex Minerals Corp.) and a Utah subsidiary (Apex minerals of Utah Inc.) which has received SEC approval to go public. He also stated that they hold 80 claims contiguous to the Apex Mine properties. Additionally they have 420 acres under State Mineral lease adjacent to the Apex mine area.

Mr. Hansen said that he holds the rights to a proprietary process for successfully handling the high lime content of the Apex ore. The lime content has allegedly been the principal source of Hecla's milling/processing problems in producing an economic source of gallium and germanium from the mine. He stated that the market for both metals is at an all time high with annual increases of the following:

Germanium (\$600/kilo last year - now \$2300/kilo)

Gallium (\$400/kilo last year - now \$750/kilo)

Kilo = @2.2 lbs.

Mr. Hansen also stated at these prices, the Apex ore would be worth approximately \$2000/ton. He believes that there is from 500,000 - 700,000 tons of recoverable reserves still in the Apex Mine.

Mr. Hansen's local SLC phone # is: (278-6295)

**A COPY OF THIS NOTE WILL BE COPIED TO THE MINE FILE.**

**CC:** MWright, LBraxton